NATO DEFENSE COLLEGE COURSE 54 CIA Auditorium 24 April 1979

Good afternoon. It is sort of nostalgic for me to start thinking in NATO terms again, and I would not be missing the mark much if I admitted to you that there are some times when the relatively placid scene of Naples and NATO appeals to me. I enjoyed that assignment very much. I enjoyed talking with one of your predecessor classes in your headquarters in Rome and, indeed, the fabric of the alliance which is cemented by the camaraderie, the study, and the mutual understanding that you develop in this course is critical to the freedom of the western world.

We are trying to help with that freedom by providing the best possible intelligence. And with no denigration of any other intelligence service, I have to say that we feel the great responsibility to you and your countries, as well as to ourselves, because of the tremendous cost of intelligence today, and the fact that we and the KGB are probably the only two intelligence services in the world who can afford the full panoply of sophisticated intelligence equipment. And, therefore, the integration of our intelligence contributing in those areas of technology where expenses cannot be borne by the rest of the alliance coupled with very important inputs, both analytic and collecting inputs from your countries, is very important to us.

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I want to spend most of the limited time we have today responding to your questions. Let me just talk to you about two aspects of what I do. One, what my role is—and I should say roles—and the other is, what are some of the important changes that are taking place in American intelligence today.

To begin with, I have two roles. I am the head of the CIA and run that agency, but I am also the Director of Central Intelligence charged with coordinating the overall American intelligence effort. The CIA is the only intelligence organization in the United States not associated with a policy making function. The State Department, Defense Department, and Treasury all have intelligence activities but all of them participate in formulating policy. We are supposed to be those detached therefore and, hopefully, that much more impartial and objective. The main jobs here are to collect intelligence, primarily by means of the human intelligence activity—spying—but also, a major contribution in some of our technical fields as well.

Secondly, to analyze the intelligence collected and we do have beyond any doubt, and as an ex-military man I think I can say this better than others, a better analytic capability here in almost every field of intelligence than anywhere else in the United States Government. We are, of course, particularly good in economics where we are by far the strongest international economic analytic organization in our government. We are very good in political intelligence working to complement and doubleback the State Department. We are very good in military intelligence, particularly the technical end of military intelligence, not, of course, getting down into the battlefield tactical side. And, again, backstopping and doublechecking on the Defense Department.

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Our third activity is covert action. It is not really an intelligence function. It is the effort to influence events in other countries without the source of influence being recognized. We are the agency of the United States Government that has traditionally been charged with such activity when it is authorized.

However, I am also the Director of Central Intelligence because in our country intelligence is spread over many organizations; each has its own priorities, each has its own interests. They must be made to dovetail together. In doing that dovetailing, I first am interested in making a good team out of our various collecting efforts. Make sure the photos from the satellites and other instruments, the signals intercepts, the human intelligence activities all meld together and that we don't go rushing off with a spy to find something that can be found by photograph from a satellite. It is too risky, it is too costly, and it is a waste of a v ery valuable asset to target a human agent onto something that can be obtained more readily by other means. But by the same token, it is very clear there are lots of things that photographs and signals intercepts will never tell you and there is where we must specifically focus the human activities. And bringing all that together with these human and technical capabilities spread across several major sub-agencies of Defense, the CIA, the State Department, the Treasury Department, and so on, is in fact an important coordinating effort. We must not let it drop through the cracks. We must not spend more than we need.

Secondly, I must try to coordinate the estimating process, the analytic process. Here very carefully, not being given authority to

direct the analysis of the other agencies, particularly State and Defense, because we want the conflicting views to come forward because none of us has infinite wisdom. So on the one hand, I have the responsibility for coordinating the collection for bringing together, with divergent views, the estimating and being sure we are focusing and doing estimates where our principal policy makers need them, but not trying to suppress or direct the way in which the estimating and analysis is done in other agencies than the CIA.

On top of being this coordinator for collection and estimating, as the Director of Central Intelligence I am also the principal intelligence advisor to the President and bear a particular and personal responsibility for giving him, directly and personally, the best advice that I can. Let me say to those of you from the non-American NATO countries that this second role as Director of Central Intelligence is, I believe, unique in our country and whether it is good or bad I leave to you to judge after you have seen how we do things. But it is a problem for me in that I do not have a counterpart in any of your countries that I know of and it is a difficult problem for me to know where to go sometimes in one of your countries to get what I need to get in the way of collaboration and support, because sometimes I go to the Secret Intelligence Service, sometimes I go to the Internal Security Service, sometimes I go the military for SIGINT, and so on.

We are trying, with the aid of some changes that are underway, to strengthen the role of the Director of Central Intelligence so that there is a central point of focus to which you can come and which will direct our overall activities. So one of the major changes that I want to point out is that, as of a year and a quarter ago, my role was strengthened as the coordinator. I am now in charge of the budgets of all of these activities. I am in charge of directing the collection activities of all, whether they are housed, managed, run by the Department of Defense, State, or others, or the Central Intelligence Agency.

Quickly though, there are a couple of other changes I would mention because you are aware of them and I want to just give you my view on them. One is that this country is in a process of establishing oversight procedures for its intelligence activities such has have never been established before in any country with a major intelligence activity. The oversight resides in the Executive Branch—the President, a special Oversight Board that he has created, and in the Legislative Branch with a committee in each of the two chambers of our Congress. Clearly there are hazards in oversight but let me emphasize there are also strengths. Strengths particularly obviously in a democratic environment. I happen to think that we are moving in the right direction here and that a certain oversight which does lend to judiciousness on the part of intelligence officers is useful and desirable. So much oversight that judiciousness turns into an inability and an unwillingness to take risks is clearly too much.

We have not settled on our oversight procedures yet. We are working them out. It is like sailing a sailboat, we are trimming the sail a little here, a little there. It will be several years before we settle on course. I think we are doing well. I think we are moving in the right direction. I would suggest that what we are doing may be a forerunner for what will happen in many of your countries. In the Federal Republic of Germany it is already part of the process as I understand it. In Italy the move of the intelligence service out from under the military and some of it back up into the prime minister's office was a move toward oversight. I suspect there are other examples of which I am not aware.

A third change, besides increased authority to coordinate, besides oversight, is greater openness in our intelligence process. This stems, of course, from the revelations and accusations—some of them founded, some of them unfounded—of excesses or abuses of intelligence in the past. It is very difficult for us. It is very difficult for the intelligence professionals. It is a traumatic experience to go from a unsupervised, unoversighted almost service to one that is much more in the public domain today, and it is difficult to make that adjustment. I can understand that but I do believe that this adjustment to greater openness can be done without harm to our process. I would also suggest I think this is happening in many of your countries as well. Admiral, I think the United Kingdom is seeing some strains in its official secrecy act and that which goes behind it.

We are being very cautious. We are controlling the openness because there are things about the intelligence business you can talk about, there clearly are things that you cannot. We can make available more of what we study and analyze and produce when we take out of it that which cannot be shared with the public. We cannot share with the public anything about how we collect our information, be it by satellites, signals, or human agents and we draw that line very carefully. You may not believe that we do that because we are in a phase in our where leaks are our biggest problem. But we must differentiate what I am calling a policy of openness which is deliberate openness on our part, where we selectively decide what is to be released, and these unconscionable leaks and Philip Agees who run around publishing books deliberately trying to destroy our intelligence service, which is another and a very serious problem that we have and Aworking to combat.

The Congress of the United States is now considering what we call charters for the Intelligence Community. Legislation which will supplement existing legislation, or replace it, that will give us our authorities on the one hand and set the boundaries, the parameters within which we must work on the other. That legislation is difficult to draw. You have to be very careful because when you put it in a law, you cannot just change it overnight if you find it was incorrectly worded or there is a difference of interpretation. We are drawing it up very finely right now. I suspect it will take another several years before it is enacted by the Congress.

But that will, I hope, by that time set us on the course I have described so that we have the right balance between enough oversight, enough openness on the one hand to assure judiciousness on our part to ensure the American public against potential abuses of the intelligence process. And on the other hand, enough freedom to take the risks which we must take and which are inherent in our business. Without a proper balance there we cannot, at the same time, protect our democratic standards and compete in a world which is composed more of closed than of open societies and in which only a critical, a sharp, an alert, risk-taking intelligence process can protect the free and open society like yours and ours.

Admiral, I'm ready and happy to try to respond. Who would like to start?

QUESTIONS & ANSWERS

Q: (Inaudible)

I wish I could answer that, I really do. The best we have been **A**: able to track it down, the report came to the United States and somehow escaped from one of our departments into the Italian media. I cannot make that connection at this point. We are, of course, investigating and trying to find it. We are trying to find the motive, who would do that. There are a number of types of leaks that we have. One, leaks that try to undermine policy that is going against the way some bureaucrat wants it to go. Maybe he's not getting enough aircraft carriers, they leak some piece of secret intelligence they think will support that. Terrible, but it happens. I don't know how this could have been in that category. Another is leaks that come from people who get overly flattered by talking with newsmen, you know, like to be a big-shot. But this was a whole report that was released. It wasn't something casually done in a bar by being too verbose. So I really don't know and I am very regretful it happened and I can only say that there is nothing more on my mind than stopping this kind of thing.

Q: (Inaudible)

A: Well that is, I guess, what I'm paid for is to make those judgments as to whose estimate I believe most and when it is important enough to reach my level, I call the analysts in, I try to look at the evidence, and I have to exercise my own judgment. But, I have made it a tentative my time here that when there is a genuine minority view, it must be well presented to the decisionmaker. It used to be

that whoever lost to the DCI's decision because the estimates are mine and they must have crisp decisions in them in my opinion. So I make a crisp decision and I say I think that there are 500 Cubans in and I believe so for the following reasons. The Defense Intelligence Agency, I will then say, believes there are 300 and they think so for the following reasons. You see, I want those reasons to be comparable. It used to be that if you lost to the DCI, your 300 went in a footnote. You wrote the footnote, the DCI's people wrote the text. They usually weren't comparable. The assumptions behind the one were different. You had 500, including civilian medical technicians, and you had 300, not including civilian medical \dots and that kind of thing. I insist that in these instances where there are genuine differences, that it be right up in the text because the value is really explaining why you differ. That gives the decisonmaker something to grind on. The example you cited is a perfect \$\mu_* \cdot \end{aligned} good one but it is not good from my point that I'm trying to make to you because it was purely numerical. It's fairly cut and dried and you've got ... and so on. When you are going to decide whether the enemy is going to attack on Monday or on Friday, the worse thing you can do is pick Wednesday because you've got evidence for each but you've got nothing in the middle. So I'm against consensus intelligence, particularly in the nonmilitary fields because explicating the differences in economic and political intelligence and military intentions is really the essence of doing good intelligence much more so than making precise predictions.

Q: (Inaudible)

A: Well the cross of an intelligence officer is he's always to blame if things don't go the way he said. And yes, we'd like to have done better in Iran. The newspapers have played this as an intelligence failure all out of proportion to the fact. From my point of view, clearly we were advising people that there were problems in Iran long before the eruptions of November last year. We said there are problems here because people are disturbed with the overturning of religious procedures. There are problems here because its been a great increase in wealth in the country not permeated evenly. There are problems over here because people are left out of the political process and so on. We did not appreciate that a multitude of different forms of dissent would coalesce under the aegis of a 78 year old exapatriot cleric. And even when we saw that beginning to happen, I know I said to myself in October of last year, the Shah's got SAVAK, the Shah's got a large military force, the Shah's got nobody to report to besides himself, when the time comes he will take care of these bubbles of dissent. I can't tell you whether and why that didn't happen, but it's what I expected, it's what I think most people expected. Clearly what the Soviet Union expected because they didn't get off the Shah's bandwagon until it was pretty well into December, because if you were in the Soviet, you would certainly expect that because that is the way you would have handled it. So yes, we did not predict the eruption to the degree that it took place. We certainly predicted the Shah was having considerable

problems. Predicting that kind of an eruption is a very difficult thing particularly in what I believe now was a truly revolutionary process. Truly revolutionary, not a thing foisted from outside. You've seen the revolution crumble now because it did coalesce for a very temporary period around the figure of an individual man and around a religious principle. But they are not sticking with any religious principle now. They did that as a expediency because the coalescing factor was not the Ayatollah, it was not Islam, it was anti-Shah. Now that that coalescing factor is gone, we see the revolution disintegrating in a rather traditional pattern. So we'd like to have done better but I don't guarantee you that we'll do the next one. But just let me say one last thing, we'll try. One last thing is that what if in September or August we had really predicted right on the ... 16 January the Shah would be gone. First of all, nobody would have believed me. Secondly, there was nothing much the United States could do at that stage. We must, I believe, look further down the line in intelligence today than ever before. It's the only way your countries and mine can influence events in other countries, I believe, is $to_{\tilde{h}}$ it over the longer run. You've got to get in two and three, four years before an eruption like this and start trying to help them shape events that are going to be important to you. And therefore, the nature of intelligence is changing. We'd be much less putting our finger in the dike and more seeing these undercurrents of long term trends.

He is not a		
THE IS HOL A	n American and we	can only rely
on released by diffe	rent nations. On	the other hand
	stands between	them. Do you
(on released by diffe	on released by different nations. On

think that

A:

No, and I know that very well. As your Commandant has said I was a NATO commander and obviously I had my US sources of information and I had my NATO sources of information and I could compare them, and I could compare them. And it is a terrible problem for us and I am working on it to see what I can do. But you have to appreciate that it is very sensitive when you do have means of gathering information that you believe the Soviets do not recognize and appreciate. Some of the systems that are most difficult to share are ones where we don't share inside our own organization and our own government on anything but a very limited basis because you only have, in any intelligence collection system, a limited amount of time before the counter to it develops. You have to try to preserve that lead when it is uniquely valuable. I don't think the discrepancy is perhaps as great as you say or you think because we can sanitize a lot of that down and it isn't essential for people to know how we got it. We do that to the best of our ability. And, of course, in wartime, if there is really a war, the floodgates will open and I realize that that is not a good answer to your question because you can't go from 50 miles an hour to 5,000 miles an hour overnight. So we are, and I am personally, very actively involved in trying to see what we can do to make it at least a smaller jump that will have $\H/\ taken$ at the last minute. It is not easy. If you turn around the other way, I'm sure the BND does not share with NATO information that it gets from its spies inside Poland,

_	and the Germans and
C	other nations in Europe follow in this policy in most of the years
C	CIA or United States and I think if United States make a
.5	step in the direction of I think I believe
t	the other nations will follow.
1	That is possibly true. We have more at stake too to be candid with
J	you. But we've got to all move in that direction as best we can and
γ	we each have equities we have to try to protect for the good of the
ć	alliance too.
((Inaudible)
١	ou're not talking about the CIA supporting the Bakhtiar government,
١	you're talking about the United States government supporting it.
1	That may have been a bad decision. I don't know but that's out of my
Į	province as I tried to say at the very beginning. I'm the one
(organization in the town that doesn't play a policy role and decide
٧	whether we support Bakhtiar or somebody else. It's my job if we are,
ć	as a nation, supporting Bakhtiar to play what role there is for
•	intelligence or covert action in supporting him, but that was a
(decision at a far higher level than mine.
•	Sir, I wonder if you could give us, as far as you're able, your assess

- Q: Sir, I wonder if you could give us, as far as you're able, your assessment of the Soviet intelligence gathering effort ______?
- A: I think the Soviets have the most extensive human intelligence gathering effort in the world. They really make a major effort

here and we've just seen some of it uncovered in Brussels and in Germany in recent weeks indicating that they are very active. They are very active in our country. I always say that detente, while I think it's a net plus, is a net minus for intelligence. They have more opportunities to penetrate us proportionately than we do them. On the other hand, I would say that we in the Western intelligence services are more clever, more astute at the human intelligence function than are the Soviets. They sometimes are clumsy. So I think we do reasonably well in that sphere compared with them. In the technical fields of photography and signals intelligence, we're way ahead. We just are more sophisticated. But where we have the biggest edge is in analysis. It doesn't do you any good just to get raw data, you've got to do something with it, and, in our society where desent is encouraged, where freedom of speech is encouraged, where you come together and hammer out different views and aren't afraid to speak up as to your different attitudes toward a given problem, you are going to have better analysis than you are in the KGB's headquarters where if you come up with the wrong solution, you may not only not get promoted you may not work there tomorrow or whatever. So, I feel confident that overall we have a better intelligence capability than the Soviets. More scrupulous, less accented on the human spy activity but adequately so accented in my opinion. Last question please, I'm afraid I'm going to have to run to a meeting.

Me Cherecques Ethousa



